

May 21, 2004

Mr. Lemuel Stewart, Jr.
Chief Information Officer
Commonwealth of Virginia
c/o Acquisition Service Division
110 S. 7th Street, Suite 100
Richmond, VA 23219

Re: UPDATED PPEA PROPOSAL
VITA Transformation

Dear Mr. Stewart:

The VIRGINIA First Team (VA1), is pleased to be considered as a qualified organization that meets the initial criteria of the PPEA requirements. It is with great pleasure that we submit this updated proposal outlining our plan to expedite the consolidation of the Commonwealth's decentralized information technology services. As stated in our original submission of February 23, 2004, VA1's proposal substantially reduces the Virginia Information Technologies Agency's (VITA's) costs and improves operational efficiency and security. Because of these important savings and improvements in operational efficiency and security, VA1 believes there will be maximum governmental and public support for this important project. The support will include key leaders statewide, as well as regional and state organizations that are charged to promote economic growth and development. VA1's core group now includes a significant Public Relations firm that will solidify affirmative reinforcement with the public, as well as the Commonwealth, and will ensure that there will be no failure of communication.

VA1 has assembled an industry-leading team from the private sector, which benefits from experience gained at a national and international level and from a strong Virginia presence. Additionally, VA1 will take full advantage of including substantial Small, Woman-owned and Minority-owned Businesses (SWAM) as part of our plan.

The VA1 proposal is all-inclusive. The proposal includes the facilities, infrastructure, hardware and software systems, and financial structure that VITA needs to consolidate, rationalize, and modernize its IT infrastructure. Most importantly, VA1's offering includes experts who have the knowledge and experience to successfully execute and effectively communicate such a critical and sensitive project. The facilities are designed to also provide service to non-VITA clients and thus will reduce VITA's expenses. Because the systems are flexible and scalable, VA1's offering enables VITA to respond to future changes in addition

May 21, 2004
Mr. Lemuel Stewart, Jr.
Commonwealth of Virginia
Page 2 of 2

to addressing current needs. The financial structure is similarly flexible, innovative and requires no initial investment. Because it does not affect the general revenue fund or bond indebtedness, the proposed financial structure provides VITA and the Commonwealth with the greatest return on investment.

In short, VA1's offering delivers the greatest value to taxpayers, users, and customers. The result is lower cost of operation, elevated security, greater control of disaster recovery, and the ability to meet future needs with confidence. Simply stated, this is a solution that all Virginians will support.

Please find a check in the amount of \$45,000, payable to the Commonwealth of Virginia as required by PPEA procedures.

On behalf of the entire VA1, I appreciate the opportunity to present our proposal for your review and consideration. We look forward to making our Final Proposal of the Detailed Submission on June 1, 2004.

Thank you for the opportunity to submit the VA1 proposal.

Respectfully,

Murray W. Newton
Executive President
Koll Development Company
VIRGINIA First Team

MWN/bbp

Enclosure